



0000110536

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

KRISTIN K. MAYES - Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

2010 APR 30 P 12:20

AZ CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF:

MIKO D. WADY and JENNIFER L. SAVAGE  
(f.k.a. JENNIFER L. WADY), formerly husband  
and wife;

NATO ENTERPRISES, LLC, an Arizona limited  
liability company;

MALIKA S. SMITH and KORY C. SMITH,  
formerly wife and husband;

BOBBY G. GOODSON and PAMELA D.  
GOODSON, husband and wife;

CAA GENERAL PARTNERSHIP, an  
Arizona general partnership;

MARIO K. REED, a single man;

PHOENICIAN ENTERTAINMENT, L.L.C.,  
an Arizona limited liability company;

THURSTON SMITH and SHAVONE  
SMITH, husband and wife; and

B.Y.B. ENTERTAINMENT, L.L.C., an  
Arizona limited liability company;

RESPONDENTS.

DOCKET NO. S-20716A-09-0574

Arizona Corporation Commission

DOCKETED

APR 30 2010

DOCKETED BY [Signature]

FOURTH  
PROCEDURAL ORDER  
(Schedules Hearing)

BY THE COMMISSION:

On December 23, 2009, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Miko D. Wady and Jennifer L. Savage (f.k.a. Jennifer L. Wady), formerly husband and wife; NATO Enterprises, LLC, an Arizona limited liability company ("NATO"); Malika S. Smith and Kory C. Smith, formerly wife and husband; Bobby G. Goodson and Pamela D. Goodson, husband and wife; CAA General Partnership, an Arizona general partnership ("CAA"); Mario K. Reed, a single man;

1 Phoenician Entertainment, L.L.C., an Arizona limited liability company ("Phoenician"); Thurston  
2 Smith and Shavone Smith, husband and wife; and B.Y.B. Entertainment, L.L.C., an Arizona limited  
3 liability company ("B.Y.B.") (collectively "Respondents") in which the Division alleged multiple  
4 violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in  
5 the form of investment contracts.

6 The Respondents were duly served with copies of the Notice.

7 On January 7, 2010, a request for hearing was filed by Respondent Malika S. Smith.

8 On January 14, 2010, a request for hearing was filed by Respondent Mario Reed.

9 On January 15, 2010, a request for hearing was filed by Respondent Bobby Goodson.

10 On February 1, 2010, by Procedural Order, a pre-hearing conference was scheduled on  
11 February 25, 2010.

12 On February 9, 2010, counsel for the Division filed a Motion to Continue the pre-hearing  
13 conference due to a scheduling conflict with another matter which was scheduled earlier.

14 On February 12, 2010, by Procedural Order, the proceeding was continued to March 11, 2010.

15 On March 11, 2010, at the pre-hearing conference, the Division appeared with counsel and  
16 Ms. Smith appeared on her own behalf. None of the other Respondents who requested a hearing  
17 appeared at the pre-hearing conference. Ms. Smith and several of the Respondents have retained an  
18 attorney, but he has not yet entered an appearance. It was concluded that a status conference should  
19 be scheduled in approximately 45 days. By Procedural Order, a status conference was scheduled on  
20 April 29, 2010

21 On April 8, 2010, the Commission issued Decision No. 71600, a Default Order, against  
22 Respondents Miko E. Wady, Jennifer L. Savage f/k/a Jennifer L. Wady, and NATO.

23 On April 29, 2010, at the status conference, the Division appeared with counsel. Neither  
24 Respondents Smith, Goodson nor Reed appeared. The Division requested that a hearing be  
25 scheduled.

26 Accordingly, a hearing should be scheduled.

27 IT IS THEREFORE ORDERED that a **hearing** shall be held on **August 11, 2010, at 9:30**  
28 **a.m.**, at the Commission's offices, 1200 West Washington Street, Room 100, Phoenix, Arizona.

1 IT IS FURTHER ORDERED that the parties shall set aside **August 12, 2010, for an**  
2 **additional day of hearing**, if necessary.

3 IT IS FURTHER ORDERED that the **Division and Respondents shall exchange copies of**  
4 **their Witness Lists and copies of their Exhibits by July 12, 2010**, with courtesy copies provided to  
5 the presiding Administrative Law Judge.

6 IT IS FURTHER ORDERED that **if the case is resolved by a proposed Consent Order**  
7 **prior to the hearing, the Division shall file a Motion to Vacate the proceeding.**

8 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized  
9 Communications) applies to this proceeding as the matter is now set for public hearing.

10 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance  
11 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the  
12 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances  
13 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is  
14 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the  
15 Administrative Law Judge or the Commission.

16 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules  
17 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*  
18 *hac vice*.

19 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
20 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

21 DATED this 30<sup>th</sup> day of April, 2010.

22  
23  
24   
MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

25  
26 Copies of the foregoing mailed/delivered  
this 30<sup>th</sup> day of April, 2010 to:

27 Mario Reed  
28 1225 North Woodburne Drive  
Chandler, AZ 85224

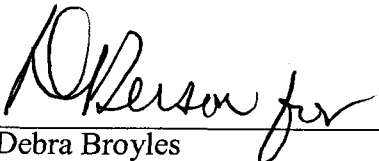
Bobby Goodson  
c/o Jennifer Savage  
1130 West Longhorn  
Chandler, AZ 85286

1 Malika S. Smith  
2 1175 West Pecos Road, No. 1038  
3 Chandler, AZ 85224

4 Matt Neubert, Director  
5 Securities Division  
6 ARIZONA CORPORATION COMMISSION  
7 1300 West Washington Street  
8 Phoenix, AZ 85007

9 ARIZONA REPORTING SERVICE, INC.  
10 2200 North Central Avenue, Suite 502  
11 Phoenix, AZ 85004

12 By:

13   
14 Debra Broyles  
15 Secretary to Marc E. Stern  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28